

March 27, 2006

LEGISLATORS, ADVOCATES COMMIT TO FIXING BUSH'S PART D DISASTER

NEW PUSH FOR SCHAKOWSKY BILL TO PROVIDE UNIFORM, AFFORDABLE DRUG BENEFIT

CHICAGO, IL -- U.S. Representatives Jan Schakowsky, Danny Davis, and Dan Lipinski joined U.S. Action President William McNary and advocates from throughout Chicago to announce Americans United's campaign to fix the President's Part D disaster. They called on Congress to pass a uniform, affordable benefit under Medicare that allows the agency to negotiate with the drug companies for lower prices. The plans under Part D are costing Chicagoans 80% more than they would pay under a plan that allows negotiation.

Representative Schakowsky's remarks are below, as prepared for delivery:

Three months into the enrollment process for the new Medicare drug benefit, the American people have weighed in. Their take: Part D is a disaster. This drug benefit was crafted by and for the drug and insurance companies, and beneficiaries and taxpayers are paying the price. Today, I'm proud to join Americans United to launch a campaign to fix President Bush's Part D disaster.

We're here to call on the President and Congress to end the confusion created by marketers and fraudsters pushing their plans without giving beneficiaries the full facts. We're here to demand lower drug costs under this plan, which are forcing taxpayers to subsidize to the drug and insurance companies. And we're here to fight for a uniform plan that is affordable and administered by one source - Medicare.

Poll after poll shows that Part D has left beneficiaries confused, upset, and ready for change. Seniors and pre-retirees (50-64 years old) now oppose the President's Part D plan by a wide margin. Beneficiaries want lower drug prices and believe that there should be no gap in coverage. They are opposed to the late enrollment penalties, and think that the benefit should cover all medically necessary drugs.

Our constituents have been in continuous contact with our offices looking for help sorting through the dozens of plans. Three months into the enrollment period, the fog has not lifted. The

dozens of private drug plans available in each market will continue to cause confusion. Plans are allowed to switch their formularies, and some will drop out when they do not receive adequate market share. This complex maze will only add new turns.

Bush's Part D disaster is picking the pockets of seniors and people with disabilities in order to boost the profits of drug and insurance companies. According to a report by the House Government Reform Committee, Chicagoans are paying 80% more for drugs under this benefit than they would under a federally negotiated plan. We must give Medicare the authority to negotiate with the drug companies to bring prices down, like the VA does.

A federally negotiated plan would pay for itself. The potential savings from a federally negotiated plan would be enough to fully fund the drug benefit with no contribution from beneficiaries and leave a surplus of \$40 billion over 7 years.

Time is short to fix this disaster. If beneficiaries do not enroll by May 15, they will pay a late enrollment penalty for life. But according to the latest CMS numbers, 16 million seniors and people with disabilities - 35% of all beneficiaries - have yet to enroll.

I have introduced the Medicare Informed Choice Act with Representative Stark to give seniors an additional six months to choose a plan. Under this bill, according to the Congressional Budget Office, an additional 1.1 million beneficiaries would enroll in a drug plan and receive coverage this year - and a total ten million beneficiaries would avoid late enrollment penalties.

Astonishingly, earlier this month President Bush said he opposes extending the enrollment deadline even though CMS has missed its enrollment targets and millions of beneficiaries remain without a plan.

Extending the enrollment deadline is a necessary but only short term solution. We must fundamentally change the drug benefit to fix it.

I introduced a bill with Congressman Marion Berry that would fix this disaster. The Medicare Prescription Drug Savings and Choice Act would create a uniform benefit under Medicare that allows Medicare to negotiate with the drug companies for lower prices. Senator Durbin has sponsored this legislation in the Senate.

Public opposition to the President's Part D disaster is growing. Beneficiaries are ready to fight for a better plan. Americans United was successful in protecting Social Security for all Americans, and now, campaigns are starting at the grassroots level across the country to fight for a real drug benefit that puts the needs of seniors and people with disabilities before the profits of the drug and insurance companies.